DONLAND DEVELOPMENT COMPANY
701 COMMERCE
DALLAS, TEXAS 75202
(214) 651-6731

May 30, 1979

410.043-46

10405-A
Filed June 29, 1979

Mr. H. G. Homme
Secretary
Interstate Commerce Commission
Washington, DC 20423

Re: Security Agreement dated as of May 1, 1979, between Donland Development Company, Debtor, and State National Bank of Denison, Texas, covering 100 Open Top Hopper Cars

Dear Mr. Homme:

In accordance with the provisions of Title 49 U.S.C. 11303, of the Interstate Commerce Act and the Rules and Regulations approved and prescribed by the Interstate Commerce Commission pursuant thereto, there are submitted herewith for filing and recordation six executed counterparts of a Security Agreement dated as of May 1, 1979, between Donland Development Company, as Debtor, 701 Commerce Street, Dallas, Texas 75202, and State National Bank of Denison, Texas, as Secured Party, P.O. Box 339, Denison, Texas 75020, covering the financing of the construction of 100 3430 cu. ft. 100-ton triple open top hopper cars bearing Railroad's recording marks and numbers as follows:

MKT 10900 through MKT 10999, both inclusive.

Please return to me the file marked copies of the Security Agreement for distribution to the parties.

I am enclosing a Cashier's Check in the amount of $50 to cover the prescribed fee for recording this instrument.

I certify that I have knowledge of the matters set forth herein.

Yours very truly,

Arthur M. Albin

AMA:ro
Enclosures

cc: Mr. Jack G. Berry
Mr. J. T. Suggs

Interstate Commerce Commission

Washington, D.C. 20423

6/1/79

OFFICE OF THE SECRETARY

Arthur M. Albin
Donland Development Company
701 Commerce
Dallas, Texas 75202

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6/1/79 at 9:45am, and assigned recordation number(s). 10405

Sincerely yours,

H. G. Homme, Jr.
Secretary

Enclosure(s)

SE-30
(3/79)

S E C U R I T Y A G R E E M E N T

DONLAND DEVELOPMENT COMPANY, a Missouri corporation whose mailing address is 701 Commerce Street, Dallas, Dallas County, Texas 75202, hereinafter called "Debtor", hereby grants to THE STATE NATIONAL BANK, a national banking corporation whose mailing address is Post Office Box 339, Denison, Grayson County, Texas 75020, hereinafter called "Secured Party", a security interest in the following described personal property:

> One Hundred (100) 3,430 cu. ft. 100-ton Welded Design Triple Open Top Hopper Car Bodies to be purchased from Trinity Industries, Inc., 4001 Irving Blvd., Dallas, Texas, which Car Bodies are further described in General Specification HO 3-34A of Trinity Industries, Inc., dated November 21, 1978, which General Specification is attached hereto as Exhibit A, and certain materials, parts and supplies, hereinafter called "materials" whether singular or plural, purchased and paid for by Debtor to be used to assemble and construct one hundred (100) 3,430 cu. ft. 100-ton Welded Design Triple Open Top Hopper Cars, hereinafter called "Cars", such materials being more fully set forth and described in Exhibit B attached hereto. The completed Cars will bear recording marks and numbers MKT 10900 to MKT 10999, both inclusive,

together with all additions, accessions, and substitutions thereto or therefor, hereinafter called "Collateral". Proceeds of Collateral are also covered.

Debtor has contracted with MISSOURI-KANSAS-TEXAS RAILROAD COMPANY, hereinafter called "Railroad", for Railroad to use the aforesaid open top hopper car bodies in order to construct and assemble a total of one hundred (100) 3,430 cu.ft. open top hopper cars for general railroad service. Thus, accessions and additions to said bodies are to include all additional parts and equipment, whether listed in Exhibit B or not, necessary to complete construction of fully assembled open top hopper cars to be constructed in compliance with Association of American Railroads rules. Such accessions and additions shall include trucks, wheels, air brake equipment, hand brakes, adjusters, bearings, rods, side frames and

bolsters, brake beams, enamel, and other miscellaneous parts. As the aforesaid parts and equipment are attached to and become a part of each above described hopper car body, such additions and attachments are intended to be covered by the terms and provisions of this Security Agreement and shall become part of the Collateral.

Debtor warrants and covenants with Secured Party that the aforesaid open top hopper car bodies and some of the materials are being acquired with the proceeds of the advances evidenced by this Agreement, which is further evidenced by the Notes described and referred to below. During the time that the open top hopper cars are being constructed and assembled, the aforesaid hopper car bodies and materials will be kept at Railroad's premises in Denison, Texas. The aforesaid parts and equipment will, upon receipt by Railroad, be kept in Denison, Texas, until such time as each open top hopper car is fully constructed and assembled. Debtor shall be permitted to authorize Railroad to use said completed cars in its rail operations or in the normal course of interchange with other railroads in the United States pursuant to a lease or conditional sale agreement acceptable to Secured Party.

This security interest is given to secure: (1) Payment of a note dated May 1, 1979, executed and delivered by Debtor to Secured Party in the principal sum of One Million Dollars ($1,000,000), hereinafter called "First Note", payable as to principal and interest as therein provided; (2) Payment of a subsequent note, hereinafter called "Second Note", to be executed and delivered by Debtor to Secured Party following full repayment of the First Note, said Second Note to be in the principal sum of One Million Dollars ($1,000,000), payable as to principal and interest as therein provided, said Second Note to be identical in

form to the First Note; (3) All expenditures by Secured Party for taxes, insurance, repairs to and maintenance of Collateral and/or costs and expenses incurred by Secured Party in the collection and enforcement of either Note or other indebtedness of Debtor to Secured Party; and (4) All liabilities of Debtor to Secured Party now existing or hereafter incurred, matured or unmatured, direct or contingent, and any renewals and extensions thereof and substitutions therefor.

Debtor expressly warrants and covenants that, except for the secured interest granted hereby, Debtor now owns or will use the proceeds of the advances hereunder to become the owner of the Collateral free from any prior lien, security interest or encumbrances, and Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.

Debtor expressly warrants and covenants that no financing statement covering the Collateral or the proceeds thereof is on file in any public office, except one Form UCC-1 covering the car bodies and one Form UCC-1 covering the materials, both of which reflect the interest of Secured Party in and to the Collateral.

As each open top hopper car is completed and accepted by Railroad pursuant to that certain Car Building Agreement between Debtor and Railroad, Debtor will, at its own expense, cause said cars to be insured by a company or companies acceptable to Secured Party against loss, damage, or destruction thereof due to fire, lightning, wreck, derailment, collision, flood, tornado, cyclone, sabotage, riot or civil commotion in sums and by policies adequate at all times to protect the interest of Secured Party and Debtor, provided that the contract for such insurance may provide insurance with loss deductible in an amount not exceeding $150,000 for any one loss. Secured Party shall be named as loss payee therein. Any monies paid under any such insurance policy or policies shall be applied to the then unpaid balance of whichever Note is then outstanding, and such monies

so paid shall be applied toward the replacement or repair of such cars. In the event that the monies are to be applied to such replacement or repair, they shall be retained by the Secured Party until replacement or repair of the car or cars so lost, destroyed or damaged, but upon proof satisfactory to Secured Party of such replacement or repair and if Debtor is not then in default in any of the obligations hereunder, the Secured Party shall pay over such money to the Debtor. Any monies receivable by or payable to Debtor from any railroad or other person or corporation because of loss or destruction or damage to any such car or cars shall be paid over to the Secured Party to be held and applied by it as aforesaid. Debtor will forthwith replace any destroyed cars if they are not covered by insurance or will immediately pay off any indebtedness owing in relation to such cars not paid for by insurance proceeds.

Debtor will at all times cause the completed open top hopper cars to be maintained in good order and repair at its own expense.

Debtor will keep the Collateral free and clear from liens and other security interests, will promptly pay all taxes and assessments with respect thereto, and will not use the Collateral illegally or encumber the same without the prior written consent of the Secured Party. Secured Party may examine and inspect the Collateral at any time wherever located.

At its option and in the event Debtor fails or refuses to pay for any of the following, Secured Party may discharge taxes, liens, security interests or other encumbrances on the Collateral and may pay for the repair of any damage to the Collateral, the maintenance and preservation thereof, and for insurance thereon. Debtor agrees to reimburse Secured Party on demand for any payments so made, and until such reimbursement the amount of any such payment, with interest at ten percent (10%) per annum from date of payment until reimbursement, shall be added to the indebtedness owed by Debtor and shall be secured by this Security Agreement.

Debtor shall be in default under this Agreement upon the happening of any of the following events:

1. Default in the payment or performance of any obligation, covenant,

or liability contained or referred to herein, provided, however, Secured Party shall have first given Debtor fifteen (15) days' written notice of any such default;

2. Any warranty, representation, or statement made or furnished to Secured Party by or on behalf of Debtor proves to have been false in any material respect when made or furnished;

3. Any proceedings are commenced by or against Debtor for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations, arrangements, compositions or extensions, other than a proceeding under Section 11363 of the Interestate Commerce Act, and the trustee or trustees or receiver or receivers appointed for the Debtor or for its property in connection with such proceedings fail to adopt and assume and agree to perform the terms and obligations of this Agreement within thirty (30) days of the date of his or their appointment, unless such proceedings are dismissed prior to the expiration of such thirty days; or

4. The Debtor transfers its interest in or under this Agreement without the consent of Secured Party.

Upon such default and at any time thereafter, Secured Party may declare all obligations secured hereby immediately due and payable and may proceed to enforce payment of the same and exercise any and all of the rights and remedies provided by the Uniform Commercial Code as well as all other rights and remedies possessed by Secured Party. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at any place to be designated by Secured Party which is reasonably convenient to both parties. As to cars

already constructed and assembled, Debtor shall cause the cars to be delivered with all replacements, improvements, equipment, attachments, and accessories thereof, at its own cost, at such place or places on premises of Railroad as Secured Party may reasonably designate, and for such purposes Debtor shall cause the cars to move in the usual manner of routing railroad cars, and Debtor shall cause said cars to be stored upon premises of Railroad without charge until Secured Party shall desire to dispose of same pursuant to remedies available to it, such storage not to exceed six (6) months. Secured Party will give Debtor reasonable notice of the time and place of any public or private sale of the Collateral or notice of any other intended disposition thereof. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Debtor shown at the beginning of this Agreement, at least five (5) days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling, or the like, shall include Secured Party's reasonable attorneys' fees and legal expenses.

Texas Commerce Bank National Association of Dallas, Texas, has agreed to provide permanent financing of the 100 completed open top hopper cars pursuant to two Conditional Sale Agreements and Agreement and Assignments between Debtor, as manufacturer, Railroad, as purchaser, and Texas Commerce Bank National Association, hereinafter called "Texas Commerce", as assignee of Debtor, which agreements are intended to be signed prior to June 1, 1979. It is understood and agreed that at the closing of the purchase of the first 50 open top hopper cars and concurrently with the receipt by Secured Party of all amounts of principal and interest due and owing Secured Party pursuant to the said First Note, Secured Party will at the option of Texas Commerce assign this Security Agreement to the extent of said first 50 cars to Texas Commerce, and/or Secured Party will release this

security interest in said first 50 open top hopper cars and all car bodies, materials, accessions and additions thereto in order that Texas Commerce shall acquire clear title in and to said hopper cars pursuant to the terms and conditions of said Conditional Sale Agreement and Agreement and Assignment. Likewise, at the time of the closing and financing of the second 50 cars and concurrently with receipt by Secured Party of all accrued principal and interest arising under the Second Note, Secured Party shall either assign its interest under this Security Agreement to Texas Commerce or shall fully and finally release this Security Agreement.

No waiver by Secured Party of any default shall operate as a waiver of any other default, and the terms of this Agreement shall be binding upon the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement as of the 1st day of May, 1979.

DONLAND DEVELOPMENT COMPANY, Debtor

By _____
Vice President

THE STATE NATIONAL BANK, Secured Party

By _____
Chairman of the Board

THE STATE OF TEXAS)
)
COUNTY OF DALLAS)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared William A. Thie , Vice President, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said DONLAND DEVELOPMENT COMPANY, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 25th day of May, 1979.

Teresa Ladner
Notary Public in and for Dallas County, Texas

My Commission expires: Nov. 30, 1980

THE STATE OF TEXAS)
)
COUNTY OF GRAYSON)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Jack G. Berry, Chairman of the Board, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of THE STATE NATIONAL BANK, a national banking corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 29 day of May, 1979.

Jane Ayres JANE AYRES, Notary Public Grayson County, Texas
Notary Public in and for Grayson County, Texas

My Commission expires: 6-30-80

TRINITY INDUSTRIES, INC.

GENERAL SPECIFICATION H03-34A

November 21, 1978

100-TON WELDED TRIPLE OPEN TOP HOPPER CAR

WITH THROUGH CENTER SILL

SIX DOOR WITH GRAVITY DISCHARGE

3,430 CUBIC FOOT CAPACITY

EXHIBIT A

4001 IRVING BLVD. • BOX 10587 • DALLAS, TEXAS 75207 • (214) 631-4420 • TWX 910-861-4389

GENERAL DIMENSIONS:

Length inside	49' - 3-3/4"
Length over end sills	49' - 4-1/4"
Length over strikers	50' - 5-1/2"
Length over coupler pulling faces	53' - 1"
Length between truck centers	40' - 6"
Length over end top chords	50' - 0-1/4"
Width inside	9' - 11-3/16"
Width over side top chords	10' - 7-9/16"
Width over side sills (bolster)	10' - 6-9/16"
Width over side posts	10' - 7-9/16"
Width over side sill steps	9' 8-13/16"
Height - top of rail to top of side top chord	11' - 8-9/16"
Height - bottom of side sill to top of side top chord	8' - 2-3/4"
Height - top of rail to bottom of side sill	3' - 5-13/16"
Height - top of rail to center line of draft	2' - 10-1/2"
Height - top of rail to bottom of center sill	2' - 4-3/8"
Height - top of rail to center plate bearing surface	2' - 1-1/2"
Number of discharge outlets	6
Side bearing centers	4' - 2"
Truck wheel base	5' - 10"
Floor slope sheets, long	30°
Floor slope sheets, short	42°
Cubic capacity, level full	3,430 cu. ft.
Estimated lightweight	61,540 lbs.
Truck capacity	100 tons
A.A.R. clearance	Plate "B"
Door mechanism	Wine-Cam-Lock
Gross rail load	263,000 lbs.
Center of gravity, loaded	83.6"
Center of gravity, empty	46.42"
General arrangement	HO3-34A-1

GENERAL:

The car bodies are built in adherence to A.A.R. and F.R.A. Rules and Regulations, within the A.A.R. clearance Diagram Plate "B".

The cars conform to A.A.R. Specifications for Design, Fabrication and Construction of Freight Cars, Paragraph 4.1.3 for a uniformly distributed load.

These cars are built in a substantial and workmanlike manner, according to the true intent of this specification and drawing. This specification is intended to include information requisite to the proper building of the car, notwithstanding that everything required may not be mentioned.

CURVE NEGOTIABILITY:

This open top hopper car, 50' - 5-1/2" long over the strikers, 53' - 1" long over the pulling face of the couplers, 40' - 6" truck centers, and equipped with standard E60CHT couplers and standard Y40AHT coupler yokes, will negotiate the following radii curves.

a. 150-foot radius curve (39 degrees approx.) uncoupled.

b. 150-foot radius curve (39 degrees approx.) two (2) cars coupled together on the curve.

c. 228-foot radius curve (25 degrees approx.) into a level tangent track with no easement, coupled to a conventional A.A.R. 40-foot base car having 7-degree coupler angling with the 40-foot car on a tangent track.

d. 229-foot radius curve (25 degrees approx.) into a level tangent track with no easement, two (2) cars coupled together if one (1) car is on a tangent track and the other car is on the curve.

e. 530-foot radius vertical curve (10 degrees approx.) into a level tangent track with no easement, two (2) cars coupled together.

The A.A.R. base car is 42' - 0-3/8" long over the strikers, 44' - 7-7/8" long over the pulling face of the couplers, 31' - 1-3/8" truck centers, and equipped with standard couplers and coupler yokes.

TOLERANCES:

As specified in the A.A.R. Specifications for Design, Fabrication, and Construction of Freight Cars.

MATERIAL:

All material in contact with the lading will be copper bearing.

All material will comply with the A.A.R. specification for Design, Fabrication and Construction of Freight Cars.

UNDERFRAME CONSTRUCTION:

a. Center sill

The center sill consists of CZ13 x 41.2Z center sill sections extending between the striker and welded the full length of the sill at the junction of the top horizontal flange. The weld penetration is in accordance with A.A.R. plate 525, latest revision or better. Each center sill will be stamped on the BR position at body bolster with reporting marks and car numbers.

b. Strikers

Forged steel striker casting with front draft lugs for 3-1/4" draft gear travel, or fabricated from high strength steel.

c. Draft Gear Pockets

The draft gear pocket is 12-7/8" between center sill webs and longitudinally 24-5/8" between the front and rear draft lugs.

d. Coupler Carrier Wear Plates

Coupler carrier wear plates will be channel-shaped, high-manganese steel.

e. Rear Draft Lugs

The rear draft lugs are built-up welded design, or casting securely welded to the inside of the center sill webs, meeting A.A.R. design requirements.

f. Draft Gear Carrier

The draft gear carriers are 8" x 5/8" plate, one (1) per pocket, (A.A.R. Standard) two pieces riveted to the center sill bottom flanges with six (6) 3/4" diameter huck bolts.

g. Draft Gears

A.A.R. approved, high capacity type, Specification M-901-E for 24-5/8" draft gear pocket. Coupler horn clearance is 3-3/4" and A.A.R. follower block.

UNDERFRAME CONSTRUCTION: (cont'd)

h. Couplers

A.A.R. standard E60CHT, high tensile, Type E Grade C, solid butt, 6-1/4" x 8" rigid shank, 20-1/2" long. Knuckles are E50-HT per A.A.R. specification M-211, latest revision. Knuckle pivot pins are manufactured in accordance with A.A.R. Specification M-118, latest revision.

i. Coupler Yokes

A.A.R. standard for "E" couplers, Y40HT Grade "C" cast steel with 24-5/8" draft gear pocket, per A.A.R. Specification M-211, latest revision.

j. Coupler Keys

The coupler keys are to A.A.R. Specification M-122, latest revision, Grade C-1045, 6" x 1-1/2" half-round edge sections, M-2150 oil quenched and tempered to 241-293 Brinell.

The coupler keys are held in place with "Azee", Illinois Railway Equipment Co. retainers.

k. Body Bolsters

Slope sheet end webs are 1/2" plate extending between sides. The top of the slope sheet end web is flanged to conform to the slope of the end slope sheet. The body bolster top cover plate is 20" x 1/2" plate, extends between the side of the car and passes over the top of the center sill.

The slope sheet end web is stiffened at the corner sill by two (2) 1/2" slope sheet end supports in the area between the center sill, slope sheet end web and the end slope sheet.

The body side bearing braces are 1/2" plate vertically applied, welded to the undersurface of the body bolster top cover plate and the 1/2" body bolster bottom cover which extends to the center sill between the side bearings. Two (2) 1/2" body bolster webs are welded to the web of the center sill, and the top and bottom body bolster cover plates and the side bearing is braced internally by 1/2" plate.

l. Body Center Plates

The body center plates will be 15-3/4" diameter Dresser Low Profile or separable center plate A.A.R. design attached with 8-7/8" two piece rivets.

INTERIOR CONSTRUCTION:

a. Cross Ridge Brace

The cross ridge braces, four (4) per car, are 6" x 4" x 5/16" tubing extending between the sides of the car and the apex of the sloping floor sheets.

The cross ridge slope sheets are 1/4" plate extending between the sides of the car and from the cross ridge brace to the discharge gates.

The underside of the cross ridge slope sheets at the apex is supported by a 1/2" plate, welded to the cross ridge slope sheets, perpendicular to the cross ridge slope sheets and extends between the sides of the car.

The cross ridge slope sheets are stiffened at the center sill by 1/2" supports, eight (8) per car, in the area between the center sill and the slope sheets, attached to the slope sheets.

b. Sloping Floor Sheets

The end floor sheet is 1/4" plate extending between the corner post and the sides of the car and slopes at 30 degrees to the horizontal, and extends to the discharge gates.

c. Open Hopper Chutes

Six (6) per car, 1/4" plate extending from the side sheets to the discharge gates and between the floor slope sheets.

d. Longitudinal Hood Sheets

Three (3) per car, of 5/16" plate extending between the floor slope sheets over the center sill.

DISCHARGE MECHANISM:

Each hopper is equipped with a gravity discharge door, with door operating mechanism.

SIDE CONSTRUCTION:

a. Side Sills

Two (2) per car, 5" x 3-1/2" x 3/8" rolled angles, extending from the end to end of car with 3-1/2" leg in horizontal position.

b. Side Plates

Two (2) per car, 6" x 4" x 5/16" tubes, extending the full length of the car.

SIDE CONSTRUCTION: (cont'd)

c. Side Post

Twenty-six (26) side posts per car on 3/16" roll formed hat sections 4" deep. All the side posts extend from the side sill to the side plate welded thereto and to the side sheets.

d. Side Sheets

3/16" with 1/4" center section. The intermediate side sheets extend between the side sill, side plate and bolster and welded to each other and to the end side sheets at the bolster and welded to the slope and hopper sheets, side posts, side sill and side plate.

The end side sheets, four (4) per car, of 3/16" extends between and welded to the side plate and end slope sheet and welded to the intermediate side slope sheet at the bolster.

e. Card Boards

Two (2) per car, mounted on the side sill at the "AL" and "BR" corners.

f. Roping Staples

Four (4) per car, 5/8" (H.S.S.) plate welded to the horizontal leg of the side sill and to the body bolster cover plate.

g. Side Ladder Stiles

Four (4) per car, 2-1/2" x 3/8" flat bar.

END CONSTRUCTION:

a. End Sills

Two (2) per car, 5" x 3-1/2" x 3/8" rolled angles extending between the side sills.

b. End Posts

Three (3) per car, 3-1/2" x 3-1/2" x 1/4" rolled angles, two at the "A" end and one at the "B" end. At the "B" end of the car, 2 posts 6" x 3-1/2" x 5/16" angles support for the hand brake. Additionally,eight (8) per car 2" x 2" x 1/4" angles, 4 per end, serve as ladder stiles on the BL and AR quarters.

c. Corner Posts

Four (4) per car, 4" x 1/2" rolled angles.

END CONSTRUCTION: (cont'd)

d. Uncoupling Device

The uncoupling device Stan-Ray design, for operating a bottom operated coupler with E-24B articulated rotary lockshift assembly.

e. End Platforms

Two (2) per car, A.A.R. approved, galvanized, perforated plate.

SAFETY APPLIANCES:

All safety appliances are F.R.A. and A.A.R. approved, latest design. All ladder treads and grab irons are 3/4" diameter.

JACKING PADS:

Four (4) per car are provided at the body bolsters at the side sill in compliance with Paragraph 2.1.5.21 in the A.A.R. Specifications for Design, Fabrication and Construction of Freight Cars (29" min. - 45" max. from rail).

BRAKE SYSTEM:

a. Air Brake

Standard ABDW 10" x 12" freight car brake equipment with socket welded type fittings, except the 1" branch pipe is welded directly to the 1-1/4" brake pipe.

b. Braking Power - (Composition Shoes)

The brake shoe forces as determined by the brake rigging efficiency test shall not be more than 30% of the light weight of the car and not less than 6.5% of the gross rail load, based on a brake cylinder pressure of 50 pounds per square inch.

The theoretical brake ratios shall not be less than 10.5% of the gross rail weight and not more than 45% of the light car weight.

The hand brake ratio determined by the brake rigging efficiency test shall not be less than 11% of the gross rail weight and the theoretical hand brake ratio shall not be less than 17% of the gross rail weight with the following hand brake force applied at the horizontal hand brake chain:

A.A.R. 66 hand brake with A.A.R. #66 bell crank - 4,700 lbs.

BRAKE SYSTEM: (cont'd)

c. Brake Pipe

All pipe is extra heavy black steel in accordance with ASTM Specification A-53. The 1" and 1-1/4" pipe fittings on the brake pipe are adjustable butt-welded type, except 300-lb. 1-1/4" coupling, per A.A.R. Specification M-404, latest revision, at the brake pipe end nipples. The angle cocks are the combination threaded and compression type with FP-5 couplings on the air hose.

d. Brake Attachments

The ABDW valve and reservoir are secured with high strength steel bolts and elastic stop nuts. Self-locking cap screws are used for securing all flanged fittings on the reservoir, cylinder, and pipe brackets. Retainer valve and angle cocks are secured with elastic stop nuts.

e. Piston Travel

7-1/4" piston travel, plus or minus 1/4". The piston travel is adjusted by a double acting automatic slack adjuster A.A.R. latest design.

f. Brake Rigging

The brake rigging is designed to carry forces resulting from the maximum brake cylinder pressure of 90 pounds and a hand brake wheel force of 225 pounds without exceeding the A.A.R. stress limits.

g. Pipe Clamps

The brake pipe is secured to the car body with "Wright" Illinois Railway Equipment Company pipe clamps. The brake pipe is located at the side sill.

The A.A.R. standard, three (3) position retainer valve is located on the diagonal brace at the BR corner.

h. Angle Cock Holder

The angle cock holder, two (2) per car, using a 5/8" "U" bolt and self-locking nuts.

i. Air Brake Pins

The air brake pins are Ex-Cell-O secured with lock-tite cotters. All holes for the brake pins are drilled.

BRAKE SYSTEM: (cont'd)

j. Release Rod

The release rod is one-half inch (1/2") diameter open hearth steel, with closed loop ends.

k. Hand Brake

The hand brake is A.A.R. approved, vertical wheel non-spin, long handle release lever. Handbrake has quick release and gradual release capability.

The hand brake chain is 9/16".

The hand brake is secured to the car with 5/8" standard hexagon head bolts and regular hexagon nuts with the nut welded to the bolt after proper tightening.

l. Body Brake Levers

The body brake levers are Schaefer Equipment Company make.

m. Brake Rod Jaws

The brake rod jaws are drop forged, car builder's supply.

n. Brake Lever Badge Plate

A pressed metal brake lever badge plate is attached to the slope sheet end web.

PAINTING AND STENCILING:

a. Surface Preparation

ll exterior surfaces above the level of the bottom of the side sills and end sills will be cleaned by shotblasting or sandblasting prior to painting. All other surfaces to be painted will be thoroughly cleaned and dried ro remove all rust, scale, dirt, grease, moisture or other foreign matter prior to painting.

b. Paint - Gray Finish Coat

Spray one coat (by brush to those areas which cannot be adequately protected by conventional spray methods, such as roof brackets, areas of the roof, weld seams that are not very smooth, sharp edges and corners) of direct-to-metal alkyd gray. The dry film thickness is to be in the range of 2 to 3 mils and applied in one cross-patch coat.

PAINTING AND STENCILING: (cont'd)

c. Special Requirements

1. Riveted and bolted laps and joints will have a coat of primer applied to the mating surfaces before assembly.

2. Truck side frames and bolsters will receive one light fog coat of black.

TRUCK DETAILS:

a. Capacity ..... 100 ton

Wheel Base ..... 5' 10"

Side Bearing Centers ..... 4' 2"

b. General

The truck brake is arranged with the brake lever connection passing through the truck bolster. The dead lever anchor is secured to the truck bolster.

c. Axles

The axles are A.A.R. standard 6-1/2" x 12" freight car, roller bearing type, per A.A.R. Specification M-101, latest revision. Grade "F", double normalized and tempered, with raised wheel seats, rough turned all over, center portion between the wheel seats, turned to 250 microinch body finish as shown on A.A.R. manual Page D-11, latest revision.

d. Bolsters

The truck bolsters are A.A.R. standard for 25-1/16" truck height, with 16" dia. dowl x 1-3/4" deep cast steel, Grade "B", per A.A.R. Specification M-201, latest revision, and approved in accordance with A.A.R. Specification M-202, latest revision.

The bearing surface is smooth within 500 microinches concentric with the vertical center line of the body center plate.

e. Truck Center Plate Wear Liners

The truck center plates are equipped with a 1-3/4" x 1/4" manganese vertical wear liner applied with continuous weld and trapped horizontal wear liner.

TRUCK DETAILS: (cont'd)

f. Truck Center Plate Lubrication

Each truck center plate is lubricated as stated in Rule 47, Section (E) (5) Interchange Rules published by the Association of American Railroads.

Bearing surface of the truck center plate is cleaned and free of paint, grease and foreign matter before applying lubricant.

g. Side Frames

The truck side frames are A.A.R. Standard narrow pedestal type for roller bearings, cast steel, Grade "B", per A.A.R. Specification M-201, latest revision, and approved in accordance with A.A.R. Specification M-203, latest revision. Wear plates are applied with 1/2" diameter countersunk head bolts and nuts and by welding by the side frame manufacturer.

h. Side Bearings

The truck side bearings are double roller type riveted to the truck bolster and filler with two (2) 7/8" diameter two-piece rivets.

i. Wheels

The wheels are 36" diameter, one (1) wear steel, Class U, mounted on 6-1/2" x 12" axles at a pressure of not less than 95 tons nor more than 140 tons. Wheel markings are A.A.R. standard. Wheels are shot peened and magnetic particle inspected. Either cast or wrought.

j. Springs

The truck springs are A.A.R. standard, 3-11/16" travel, in accordance with A.A.R. Specification M-114, latest revision, for design. Truck springs are to be shot peened and lacquered. Alloy steel.

k. Roller Bearings

The roller bearings are A.A.R. standard, pregreased and preassembled, "NFL" narrow pedestal type, for 6-1/2" x 12" journals, mounted on the axles, in accordance with the manufacturer's latest recommendations.

l. Roller Bearing Adapters

The roller bearing adapters are latest A.A.R. standard for 6-1/2" x 12" journals, finish machined to suit narrow pedestal side frame, without provisions for application of heat indicators with hardened crowns.

TRUCK DETAILS: (cont'd)

m. Brake Beams

The brake beams are A.A.R. standard No. 18 beams of the unit type.

n. Brake Beam Wear Plates

For use with AA.R. Standard No. 18 Unit type beams.

o. Brake Shoes

Composition brake shoes. Brake shoe keys are A.A.R. standard "Lockey" type as furnished by the Abex Corporation.

p. Brake Pins

"Ex-Cell-O" secured with lock-tite cotters.

q. Center Pins

The center pins are 1-3/4" diameter.

r. Roller Bearing Retainer Frame Key

Without.

BODY SPECIALTIES:

The car body is equipped with the following items:

Air Brakes	ABDW 10" x 12"	
Air Brake Pipe Fittings	Socket welded	
Angle Cocks	Ball type 3050-A	Sloan Valve
Angle Cock Holder		
Brake levers		
Brake Pins		
Brake Rod Jaws	Weld-On type	
Center Plates	ASTM A-128 Grade A 15-7/8" dia. min.	
Cotter Keys	"Lock-Tite"	
Couplers	A.A.R. Straight Shank Type E60CHT Single Articulated Locklift, with bottom shelf, bottom operating high tensile cast steel Grade "C"	
Coupler Yokes	A.A.R. Standard Y40AHT Grade "C" cast steel	
Coupler Key Retainers	"Azee"	Illinois Rwy. Eqpt.
Coupler Release Rigging		Holland
Defect Card Receptacle		Western Rwy. Device
Discharge Mechanism	Gravity type with operating mechanism	Miner or Wine
Draft Gears	A.A.R. approved M-901-E High capacity	Cardwell-Westinghouse or Miner
End Platforms	A.A.R. approved Two (2) per car, Galv. Perforated Plate	Apex

BODY SPECIALTIES: (cont'd)

Hand Brakes	A.A.R. approved vertical wheel type with a #66 bell crank	Ajax
Hand Brake Chain	9/16"	
Pipe Clamps	"Wright"	Ill. Rwy. Eqpt. Co.
Route Card Board Brackets		
Slack Adjuster	A.A.R. latest design Double acting automatic	Sloan

TRUCK SPECIALTIES:

The trucks are equipped with the following items:

Axles	A.A.R. standard 6-1/2" x 12" Grade "F", Double normalized and tempered D-11, latest revision.	
Bolsters	A.A.R. approved pattern Grade "B" cast steel 16" dia. bowl	
Brake Beams	Unit Type No. 18	
Brake Beam Wear Plates	For unit beams	
Brake Levers		Schaefer
Brake Lever Connection		Schaefer
Brake Pins		
Brake Shoes	2" composition	
Brake Shoe Keys	"Lockey"	
Center Wear Plate Liners	1-3/4" x 1/4" manganese vertical wear ring cont. weld with trapped horizontal wear liner.	
Cotter Keys	Lock-Tite	
Ride Stabilizers	3-11/16"	Standard Car Truck
Roller Bearings	6-1/2" x 12" "NFL" type, preassembled and pregreased	Brenco Timken
Roller Bearing Adapters	6-1/2" x 12" narrow pedestal without heat indicators and with hardened crowns	
Side Bearings	Double Roller	A. Stucki Company
Side Frames	A.A.R. approved pattern Grade "B" cast steel	
Springs	3-11/16" travel	
Wheels	36" dia., one (1) wear, untreated	

EXHIBIT B

To SECURITY AGREEMENT BETWEEN DONLAND DEVELOPMENT COMPANY & STATE NATIONAL BANK

MATERIAL:	QUANTITY	VENDOR:
Air Brake Material	100 C/S	NEW YORK AIR BRAKE
Wheels, mounted, 36" W/6-1/2 x 12 Roller Bearings	47-3/4 C/S	RAILCAR MAINTENANCE CORP.
Adapters, Roller Bearing 6-1/2 x 12	200 Ea.	ABEX CORP.
	400 Ea.	NL BEARINGS
Frame Keys	800 Ea.	National Castings
Brake Beams, Rejection Type #18	200 Ea.	APEX RAILWAY
Brake Shoes, Rejection Type, Composition, 2"	400 Ea.	ABEX CORP.
Side Bearings #688-B	200 Ea.	STUCKI CO.
Springs, Coil D-5	2,600 Ea.	UNION SPRING
Snubbers, D-5 Volutes	800 Ea.	HOLLAND CO.
Brake Levers, Various Sizes	700 Ea.	SCHAEFER EQUIP.
Brake Pins 1-3/32" x 3"	200 Ea.	ACF
Bottom Rods, 36"	20 Ea.	SAFETY RAILWAY SERVICE
Roping Staple	400 Ea.	AMERCIAN CAR FOUNDRY
Hand Brake, AAR 1966	50 Ea.	UNIVERSAL RAILWAY DEVICES
Clevis, 4-1/2"	100 Ea.	AMERICAN CAR FOUNDRY
Clevis, 11-3/4"	20 Ea.	SCHAEFER EQUIP.
Brake Rod Jaws, 7/8" and 1"	800 Ea.	WESTERN RAILWAY DEVICES
Slack Adjusters Sloan, DJ5001	50 Ea.	SLOAN VALVE CO.
Uncoupling Lever, #CU-26094-A	200 Ea.	ABEX CORP.
Dead Lever Fulcrum #1-D-6414	200 Ea.	AMERICAN CAR FOUNDRY

CONTINUED ON PAGE TWO.....

MATERIAL:	QUANTITY	VENDOR:
Paint, Green	1,000 Gal.	CREATIVE COATINGS
Paint, Yellow	50 Gal.	SHERWIN-WILLIAMS
Paint, Black	60 Gal.	TECHNICAL COATINGS, INC.
Thinner	220 Gal.	" " "
Steel, 1" H/R, Round	92 Pc.	GULF STEEL DIV. FERRO UNION CORP.
Trucksides & Bolsters 6-1/2" x 12" Roller Bearing	52 C/S	SAFETY RAILWAY SERVICE
Side Springs B423	200 Ea.	STANDARD CAR TRUCK